1952-53 **File No.** PHV 1052 ~~53~~

B CLASS P.W. DEPARTMENT K BRANCH

Subject:— Sindatta cotton-seed Utilisation Co Hubli

B [K] 1953

File No. P'HV 1052 ~~53~~

Ltd. Sect. Slip. 21 A—

(No. 2406, dated 12-6-22.)

DOCKET SHEET (B)

Subject: – Sundatta Cotton-seed Utilisation Ltd., Hubli.

File No. PHN 1052

Public Works DEPT.

K. BRANCH.

References:—

Date.	To whom sent.	Notes and instructions.

No.LRM.11/ 7660 of 1952
P.W.D.Offices, Churchgate Street,
Fort, Bombay, 1. 13th SEPTEMBER

To

The Secretary to Government,
Public Works Department,
Bombay.

Subject:-Supply of electricity to M/s.Sundatta Cotton Seed Utilisation Limited, Hubli.

Reference:-Government Letter, Public Works Department, No.PHV-1052 K dated the 10th July 1952.

Detailed plan and estimate for the work in question have been sent to Government under this office letter No.LRM.11/6153 dated 22-8-1952.

The work is nearing completion and necessary funds to cover the expenditure will have to be sanctioned by Government. It is, therefore, requested that Government may be pleased to accord its approval to the plan and estimate and allot the necessary funds at a very early date.

An allotment to the extent of Rs.52,000/- only has been sanctioned by Government in the budget grant under "81-A Capital Outlay on Electricity Schemes" for the works at Hubli against the demand of Rs.200000/- submitted by this office in the manuscript budget. Additional funds to the extent of Rs.148,000/- for the works at Hubli have already been applied for. It is, therefore, not possible to meet the expenditure on the above work from the sanctioned grant under the head "81-A Capital Outlay on Electricity Schemes

L.M.

Electrical Engineer to Govt.

K
15-9
PHV 102
85990

14th March 1952

The Secretary to Government of Bombay,
Development Department,
Secretariat,
Bombay 1.

Dear Sir,

Re: Serviceline for Supply
of Electricy to our Factory
at Hubli - f: our letter
dated 6th Fruary 1952.

While thanki you for the co-operation and assistance extended to us inhe above matter, we are glad to inform you that the Compy has been able to arrive at an understanding with the Elctrical Engineer to Government regarding the high tension rvice line and sub-station for the supply of power to our facty. At the joint discussion we had with the Electrical Engeer, Mr. R.M.Prabhu, M.L.A., Parliamentary Secretary to e Hon'ble Minister, P.W.D., was also present. We are enclong herewith copies of correspondence passed between thompany and the Electrical Engineer to Government on this bject.

While the nearrangement is a definite improvement on the old, we would le to mention that the tariff made applicable to us is not beicial and needs a revision in the near future. This point haalready been stressed in our letter addressed to you dated 6th bruary 1952.

We thank youagain for your continued co-operation and help to this pioneing industry.

Yours faithfully,
For Sudatta Cotton-seed Utilisation Ltd.

Sd/.

Director.

P.W.D.Office, Churchgate St.,
Bombay 7th March 1952

No.LRM.11/13974 of 1951-52

To

M/s.Sundatta Cotton Seed Utilisation Ltd.,
10 Mount Pleasant Road, Malbar Hill,
Bombay.

Sub: Supply of dectricity to
your propos factory at
Hubli

Ref: Your lettedated 3rd March 1952.

Sirs,

The undersignecwishes to confirm the discussion he had with your representatie on the 1st inst. at his office when Shri R.M.Prabhu, M.L.A., Arliamentary Secretary to Hon'ble Minister, P.W.D. was also presat.

1. It would be pssible to give you elec.supply from a Sub Station to be suitaty located, convenient to the undertaking with due regard to he possible future load in the area.

2. This sub staton would be put up only after you guarantee to take supply frm the sub station to ~~it~~ a minim.... annual consumption of 200000 unts and you deposit with this office a sum of Rs.15000/- only gainst the guarantee of consumption stipulated above. The cos of the Sub-Station and the high tension line leading thereo will be borne by Govt. but the cost of the service line frm the Sub Station to your premises will be determined according tclause VI of the Schedule to the I.E. Act.

3. The supply of your factory will be 400 V. 3 phase, 50 cycles. The tarif applicable to you will be the tariff made applicable from tie to time to all medium pressure installations. No guarantee whatever can be given for any reduction in tariff. Should, owever, a separate tariff for supplying energy in bulk be introduced the benefit thereof will be given to you from the date f the introduction of the tariff without any retrospective effet.

4. The work ~~xxx~~ will be taken in hand immediately on receipt of the deposit of Rs15000/- as per (2) above.

As the commencdent of the work depends entirely on receipt of the deposit amount rom you, you are requested to make immediate arrangements to depit the amount as early as possible.

Yours faithfully,

Sd/-

Electrical Engineer to Govt.

Copy.

3rd March 1952

The Electrical Engineer to Government,
Public Works Department,
Bombay.

Dear Sir,

Supply of Electricity to
our proposed Fctory at Hubli.

With reference to the discussion our Director, Mr. M.V.Sirur, and the Company's Secretary had with you at the meeting held at your office on Saturday the 1st March 1952 when Mr. R.M.Prabhu, M.L.A., Parliamentary Secretary to the Hon'ble Minister, P.W.D., was also present, we give below the conclusions which were arrived at subject to confirmation by our Board of Directors :-

1. That you would be giving us electric power supply from a sub-station which will be suitable located in the vicinity of our factory in the Hubli-Karwar Road.

2. That you will be onstructing your distribution line from the nearest pint on your present high tension line up to the aforsaid sub-station which you will be constructing. This distribution line will be constructed by you with your own materials and at your own cost.

3. That the supply to us at our factory will be at 400 volts, and we shall not be required to install a transformer to step down the voltage.

4. That we shall guarntee for a period of three years from the date of spply of power to us, a minimum average annual consumption of 2,00,000 k.w.h.

5. That in the absene of a special bulk supply tariff in your present shedule, we accept for the time being, your preset medium pressure tariff of 2.5 annas per unit plus a fixed charge of Rs.2/- per month per b.h.p. However, special bulk supply tariff, based on the bulk supply to us, and on the cost of generation and other incidental charges, will be worked out by you as early as possible and made applicable to us retrospectively. The payments made by us up to that point will thereafter be adjusted in our bills accordingly.

6. That against the grantee of load given by us in Clause No. above, we will deposit with you, in the form of Government securities, a sum of Rs.15,000/ (Rupees Fifteen Thousand only) returnable after the period of the guarantee.

A proper agreement embodying the above terms will be drawn up and executed in due course by both the parties. We also have your assurance that the work of constructing the said distribution line and sub-station will be taken up immediately and executed as expeditiously as possible; and you will try your best to see that the power supply be made available to us by the middle of May 1952. For this purpose you will be using the necessary material which is already on hand at the Hubli Power House, and if there is any shortage of material, you will arrange to secure the same in time. You will also, in advance, give us intimation of such extra material, if any, as you will require for expediting the construction of the line, to enable us to arrange for its quicker supply, if possible. In this latter event, you will reimburse us to the extent of the cost of material supplied by us.

We also write to confirm that to the extent enumerated above, the terms agreed to in the past during our negotiations and in the correspondence hitherto, stand altered.

On your kind confirmation of the above, the amount of deposit against our guarantee as aforesaid, shall be immediately arranged.

Thanking you,

Yours faithfully,
FOR SUNDATTA COTTON-SEED UTILIATION LTD.

Sd/-

Director

Copy with compliments forwarded to

Shri R.M.Prabhu, M.L.A.,
Parliamentary Secretary to the
Hon'ble Minister, P.W.D.,
Secretariat,
Bombay.

SUNDATTA COTTON-SEED UTILISATION LTD.

MANUFACTURERS OF COTTONSEED PRODUCTS

Mills:
KARWAR ROAD, HUBLI.
(BOMBAY STATE)

579/52

EXECUTIVE OFFICES:
10 Mount Pleasant Road,
Malabar Hill, (Temporary)
BOMBAY

13th September 1952.

The Secretary to Government,
Public Works Department,
BOMBAY.

Dear Sir,

Re: Supply of Power
to our Mills at Hubli

We invite your kind attention to the above matter in regard to which we have had to deal with the Electrical Engineer to Government, P.W.D.

At the outset, we may mention that our Company has put up the first and only modern cotton-seed utilisation plant in Bombay State, which is due to go into production in November this year, when the 1952-53 cotton season commences in South Bombay State. Ever since the inception of the Project in May 1951, we have received the support and encouragement of the Government of Bombay as well as the Government of India, the latter according Point Four sponsorship to the Project, which is a rare benefit conferred on private industry. Our Managing Director was sent on deputation to the United States for four months by the Central Government to study the latest cotton-seed utilisation practicds in that country, and has recently returned home.

The Central Government is keenly interested in the development of this new industry, and in addition to the above recognition, has given us all possible facilities, such as priority in regard to import licence under which we imported our machinery from the United States in record time. The Government of Bombay, likewise, has encouraged our Project in various ways. For instance, on the strong recommendation of the Development Department, we came to an understanding with the Electrical Engineer to Government for supply of power to our Mills at Hubli. The Hubli Power House has erected the service line to our factory site and the sub-station is about to be installed. We have been told by the local authorities that they will allow us to draw medium tension power before the end of October 1952.

The arrangement between us and the Electrical Engineer to Government for supply of power was arrived at after prolonged negotiations and under pressure of time in March this year at a joint Conference in the presence of Shri R.M.Prabhu, then Parliamentary Secretary to the Hon'ble Minister, P.W.D. It was followed by a formal exchange of letters between us and the Electrical Engineer to Government. Subsequently, we also wrote to Shri D.S.Joshi, Secretary to Government, Development Department, (and now Secretary to Government, Home Department) who has throughout

taken keen interest in the whole matter. H. 3-7 Copies of these letters are enclosed for your ready reference.

The understanding reached was that in return for our guaranteeing a minimum average annual consumption of 2,00,000 units for a period of 3 years, the Hubli Power House would give us medium tension electric supply from a sub-station to be suitably located, convenient to our undertaking, with due regard to the possible future load in the area. We were called upon to deposit Rs.15,000/- worth of Government Securities, refundable after 3 years, against the guarantee of load that we had given. This was a most unusual and harsh stipulation, but in our anxiety to get some action in the matter we agreed reluctantly to this condition. It will be noted, however, from the enclosed correspondence that we left open for further negotiation the question of the rate at which the power supply was to be made available to us.

At the Joint Conference at which Shri Prabhu was present, we were told by the Electrical Engineer to Government that a bulk tariff would be worked out for us in due course. In view of this, we readily agreed to give the minimum guarantee of load. It will be noted that in his letter to us of 7th March, the Electrical Engineer has hinted that a separate tariff for supply of energy in bulk might be introduced and the benefit thereof given to us from the date of its introduction. At that time, in our anxiety to prevent any further delay, we did not insist that a bulk rate be introduced for our benefit forthwith. It will be noted, however, that in our letter of 14th March to the Secretary to Government, Development Department, we mentioned that while the new arrangement was a definite improvement, the tariff made applicable to us was not beneficial and needed a revision.

p. 5.

p. 3.

We recently approached the Electrical Engineer to Government in the matter of special bulk tariff and asked him whether he had taken steps to work it out in pursuance of the discussion that we had with him. He stated that the matter would have to be decided at a higher level. We are, therefore, approaching you since we feel that the matter is far too important and urgent from our standpoint to permit of further delay, especially if we are to draw power from November this year.

The Hubli Power House medium tension rate for small consumers of even 1 H.P. is Rs.0.2.6 per unit and Rs.2/- per installed B.H.P. per month. This rate is sought to be applied to large consumers such as ourselves in the absence of any bulk tariff in the existing schedule for the Hubli Power House. The question of bulk tariff arises in our case because even with the minimum guarantee of load that we have given, we shall be by far the largest single customer of the Hubli Power House. As a matter of fact, we are confident that our consumption will be quite in excess of the minimum guaranteed consumption.

Our installed capacity at the start of operations will be 160 H.P., and we expect our average load, for 16 hours per day of two shifts during the off peak-load period will be not less than 100 k.w. If the rate of Rs.0.2.6 per unit were applied to us, our daily power cost is expected to be Rs.250/-, or nearly Rs.80,000/- per year (inclusive of fixed charge) for 300 working days. We submit that such a power bill

approximates that of any medium-sized textile mill in Bombay with five times our capital and power requirements. This is completely unreasonable for any power supplier to demand from comparatively large consumers at Hubli such as ourselves, notwithstanding the source of supply. Besides, such a high rate of power is utterly beyond the capacity of a nascent industry to pay.

In support of our first contention, we can show that diesel power stations close to Hubli such as Dharwar and Belgaum have lower rates for industrial supply. The current Belgaum rate is Rs.0.1.6 per unit with a standing charge of Rs.2.11.0 per installed B.H.P. to any medium tension industrial consumer irrespective of installed H.P. and without any minimum guarantee of load. The Dharwar Power Station is prepared to give a similar rate of Rs.0.1.6 per unit and Rs.2.11.0 per installed B.H.P. to any large consumer who can give a high minimum guaranteed load such as we have undertaken to give to the Hubli Power Station.

We therefore fail to understand how the Hubli Power Station can insist on a rate of Rs.0.2.6 per unit for bulk consumers when neighbouring stations are in a position to supply them at Rs.0.1.6 per unit. Both the Dharwar and Belgaum Stations are efficient, paying and well-managed concerns, and we have no reason to believe that the Government-controlled Hubli Power Station is any the less so. On the other hand, we have good reason to believe that the addition of bulk consumers such as ourselves should yield a handsome extra revenue to the Hubli Power Station even at the rate of Rs.0.1.6 per unit by better distribution of overheads, and should be most welcome. If Government is not interested in the extra revenue, the additional benefit could well be passed on to other consumers as well by way of lower rates in line with the provisions of the new Electricity Act.

From the standpoint of our industry the high rate of Rs.0.2.6 per unit as existing in the present schedule for even bulk consumers could well be an early death-blow. We estimate that our power cost at this exorbitant rate will be half of all our other costs including depreciation on machinery, wages, overheads, and manufacturing cost. We can produce our working estimates to vouch for the above statement. The disproportionate ratio of 1 : 2 for power cost to all other estimated costs is likely to make the success of our venture extremely doubtful. This is especially so in the present low level of prices for our products following the recent depression, and in the light of the initial difficulties that we will have to solve in this completely new industry.

Far be it from us to ask Government that our industry be subsidised. We are quite certain of the industry succeeding on its own merits. All that we ask is that the power rate charged us be competitive with that offered by similar diesel power installations under private management very close to Hubli. Under the circumstances, we have set forth, we submit most strongly that our Company be supplied power by the Hubli Power Station at a bulk tariff rate not exceeding Rs.0.1.6 per unit, which neighbouring power stations are offering to industrial consumers. We also request that a decision may be taken early, and the bulk tariff rate be sanctioned to us from November when we shall commence drawing power.

There is a further important submission which we wish to make to Government. This is in regard to the deposit of Rs.15,000/- worth of Government Securities which we have been forced to make with the Electrical Engineer to Government against the minimum guarantee of load that we have given for 3 years. We submit that in the present money market, we can ill-afford to tie up this sum, especially when we have kept our issued capital to the bare minimum of Rs.5,00,000/- for our initial scale of operations. In our business, it is necessary to keep sizeable stocks of raw material. In addition, until we create a market for our products, both indigenous and export, we may have to keep abnormal stocks of our products as well. Under these circumstances, if the sum of Rs.15,000/- were released to us, it would enable us to hold an additional Rs.50,000/- worth of stocks, since the balance could be obtained by way of bank credit. This would improve our ways and means position considerably.

We suggest that Government accept a written guarantee from our Company, undertaking to draw power from the Hubli Power Station for a period of three years, and guaranteeing a minimum annual average consumption of 2,00,000 units. The letter of guarantee would state that in the event of our failure to draw this quantity of power the Company would be liable for any loss suffered by Government, not exceeding Rs.15,000/-. If required, our Managing Director is prepared to stand personal collateral for this guarantee by the Company. We suggest that on the strength of this letter of guarantee, which we are prepared to give, the deposit of Rs.15,000/- worth of Government Securities may be released to us.

We shall be glad to discuss any further points in regard to this representation that we are making, and in the meanwhile, we remain,

Yours faithfully,
For Sundatta Cotton-Seed Utilisation Ltd.

Managing Director.

Enclo:

Copies with compliments forwarded to :

1. Secretary to Government, Development Dept., Bombay.
2. D.S.Joshi, Esq., I.C.S.,
   Secretary to Government, Home Department, Bombay.
3. Director of Industries, Bombay.
4. Bombay Oilseed Crushers' Association, Bombay.
5. Karnatak Chamber of Commerce, Hubli.
6. Association of Electrical Undertakings of the Bombay State, Bombay.
7. Electrical Engineer to Government, P.W.D., Bombay.

~~No.~~ 18.

K Bn. P.W.D.

Acknowledged under No. PHV 1052 K,
dt. the 22-9-52.

20-9-52.

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TELEGRAMS: "CHAMBER"

TELEPHONE: 102.

KARNATAK CHAMBER OF COMMERCE

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MEMBER:
INDUSTRIAL ADVISORY COUNCIL
AND
HOUSING ADVISORY COMMITTEE, BOMBAY
AND
KARNATAK UNIVERSITY.

RECOGNISED BY THE GOVERNMENT OF INDIA.

MEMBER:
REGIONAL POSTS & TELEGRAPHS
ADVISORY COMMITTEE, AND
BOARD OF COMMUNICATIONS, BOMBAY.
SOUTHERN RLY. LOCAL ADVISORY COMMITTEE,
(B. S.) MADRAS.

No. H-6/870

HUBLI 17th Sept. 1952.

The Secretary to Government,
Public Works Department, Bombay.

Sub:- Supply of power to the Cotton-seed-- crushing factory at Hubli.

Sir,

We have to invite Government's immediate attention to the communication dated the 13th -- September, 1952 addressed by our member company M/s. The Sundatta Cotton-seed Utilisation Ltd., and request urgent and sympathetic consideration to their submission. We had an occasion to represent to Government, on the same subject, sometime ago and we deeply appreciate the consideration and understanding, which Government have shown towards the industry and we have no doubt that with the same sympathy their present problems would be satisfactorily solved by Government.

2. The applicants have made out a detailed case for evolving an equitable tariff schedule for industries with a view to create full demand for all the power which could be generated and also to encourage the growth of industries. Government will note that some big industrial units have -- installed diesel oil engines at Hubli as they find Government's power rates definitely uneconomical. It will be interesting to compare the rates charged by the power stations of Dharwar and Belgaum which are also run on diesel engines but are managed by private enterprise. We request Government to adopt purely a commercial attitude towards the problem and revise the rates as submitted by the applicants, otherwise, we are afraid, the cost of power on the present rates would be prohibitive and the industry would founder.

3. There is another point to which we would like to draw Government's attention. The applicants have deposited Rs. 15,000/-/- towards the fulfillment

...2.

TELEGRAMS: "CHAMBER"

TELEPHONE: 102.

KARNATAK CHAMBER OF COMMERCE

ಕರ್ನಾಟಕ ಚೇಂಬರ ಆಫ್ ಕಾಮರ್ಸ (ವಣಿಕ್ ಸಂಘ) ಹುಬ್ಬಳ್ಳಿ.

MEMBER:
INDUSTRIAL ADVISORY COUNCIL
AND
HOUSING ADVISORY COMMITTEE, BOMBAY
AND
KARNATAK UNIVERSITY.

RECOGNISED BY THE GOVERNMENT OF INDIA.

MEMBER:
REGIONAL POSTS & TELEGRAPHS ADVISORY COMMITTEE, AND BOARD OF COMMUNICATIONS, BOMBAY.
SOUTHERN RLY. LOCAL ADVISORY COMMITTEE, (B. S.) MADRAS.

No. .....

HUBLI 17th Sept. 1952.

fulfillment of the guarantee to consume a minimum block of power of 2,00,000 units per annum. We consider this condition to be rather harsh to a new industry at a time when money market has been going very tight. A Company having sufficient assets, by itself, should be a sufficient guarantee and if, however, Government does not consider it sufficient, we earnestly request to accept the personal security of the Managing Director as offered by the applicants and release the deposit amount to improve the ways and means position of the Company.

We trust that Government will bring to bear a practical and business-like attitude towards the problems of our members and do the needful, constantly keeping in view the development of industries in this backward Karnatak region of the Bombay State.

Yours faithfully,

Hony. Secretary.

C.W.Cs to:-

(1). The Secretary to Government, Development Department, Bombay.
(2). The Director, The Sundatta Cotton-seed Utilisation, Ltd., Hubli.

F. 22.

K Br. P.W.D.

Acknowledged under No. PHV1052 H,
dt. the 23-9-52.

21-9-52.

ASS 22/9

Issued 23/9/1952

Submitted.

Secy Navd 22/9

Secy Navd 25/

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P. W. D.
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Secy Navd (Actg) 19/9 19-9-52

PHV 1052/

P.W.D.

K Ch.

1. 1'-1", 2-21.
Submitted.

2. The main file bearing No.

PHV 1052/7A716 which is required for the disposal of these papers is under submission to D.S. (I & E) and Secy. through B Branch and D.E.(1) since the 27-8-52. Its return may be awaited.

1-10-52.

thro' B Ch. and D.E.(1).

3. The case was submitted to D.S.(I&E) and Secy. thro. D.E(I) on 10-9-52.

D.S(I&E)

P(truce and Who are ty. Sec

THE BOMBAY OILSEED CRUSHERS' ASSOCIATION

SCINDIA HOUSE, BALLARD ESTATE.
P. O. BOX 409, BOMBAY, NO. 1
CABLES & TELEGRAMS 'CRUSHIND'
TELEPHONE 27291 (8 LINES)

MGD:DLP. 23rd September, 1952.

The Secretary to Govt. of Bombay,
Public Works Dept., Secretariat,
BOMBAY, 1.

Dear Sir,

Re: SUPPLY OF POWER TO SUNDATTA COTTONSEED UTILIZATION LTD. AT HUBLI.

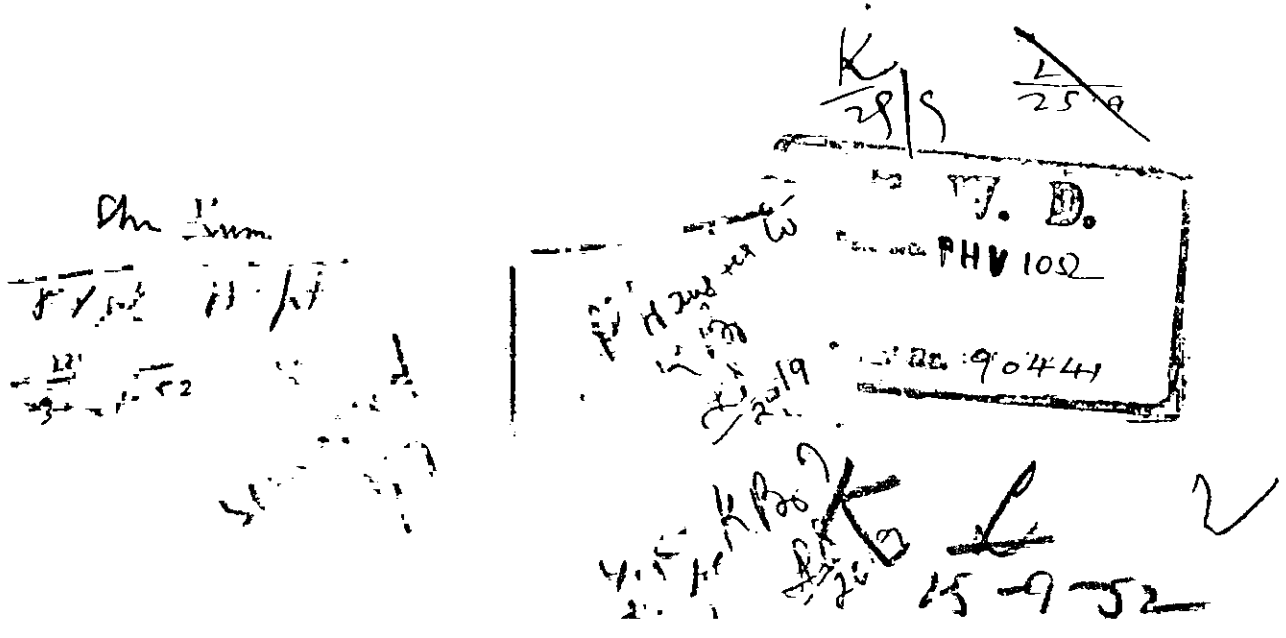
PP 11 - 17

We have received a copy of the letter No.579/52 dated 13.9.52 addressed to you by the above said firm which is a member of this Association. In our opinion, the case made out by them is quite reasonable and we trust that the same would receive sympathetic consideration from Government.

Yours faithfully,
THE BOMBAY OILSEED CRUSHERS' ASSOCIATION.

Secretary.

cc to: M/s. Sundatta Cottonseed Utilization Ltd.,
10 Mount Pleasant Road, Malbar Hill,
Bombay.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15-9-52

PHW 1052/904 H.

K Br.

P.W.D.

Submitted.

2. The main papers quoted at "A" in the letter No. M/D: DL&R, dt. the 23-9-52, from the Bombay Oilseed Crushers' Association, Bombay, were submitted to A.S.(III) through B Branch & D.E.(1) on the 10-10-52. ~~23-9-52.~~ Their return may be awaited.

7-10-52.

Thro' B Branch & D.E.(1)

3. The papers have been passed on to A.S.(III) (A.S(III) thro' D.E.(I) on 4-10-52. 8/10/52. 8/10

Hon'ble Dy.(I) for the perusal pl. Yes, when it is thro'.

File No.

PHW 1052/9044.

K Ch. P.W.D.

Resubmitted with reference to A.S.(III)'s query dt. the 8-10-52.

2. The papers referred to overleaf have since been received and are arranged within.

Please see this office note dt. the 4-10-52 and D.S.(I&E)'s orders thereon dt. the 7-10-52. In the file No. PHW 1052/7871.6 quoted at "A" on page 23 ante,

the

the Elect. Engr. has submitted proposals for installing a sub-station at Hubli for the purpose of supplying power to Swadeshi Cotton-Seed Utilisation Ltd., Hubli. In its forgoing letter, dt. 11-17. the Company has complained about the high rate of 2½ annas per unit charged to it for the supply of power and requests that power should be supplied to it at a rate not exceeding Rs. 0-1-6 per unit. It also requests that a special bulk tariff rate should be sanctioned to the Company. The Company's further complaint is that the Elect. Engr. has taken from it a deposit of Rs. 15,000/- in Govt. Securities against its ~~minimum~~ guarantee of a minimum average annual consumption of 2,00,000 units for a period of three years. It represents that in the present money market, it cannot afford to tie up that amount. As an alternative, therefore, the Co. suggests that Govt. should accept a written guarantee from it indicating that in the event of its failure to draw the minimum guaranteed quantity...

quantity of power, it would be liable for any loss suffered by Govt, not exceeding Rs. 15,000/- The Managing Director of the Company is prepared, if necessary, to stand personal collateral for the guarantee and, on the strength of the letter of guarantee, the Co. requests that the deposit of Rs. 15,000/- may be released to it. These papers may, in the first instance, be referred now to the Elect. Engr. to Govt. with a request to submit his remarks on each of the complaints and requests made by Sundatta Cotton-Seed Utilization Ltd

13-10-52.

Early

14/X/52

14/10/52

A.S. (II)

Ref to the El. Engr. dtd 15-10-52.

D.S. (I & E)

15/10

ELECTRICAL ENGINEER TO GOVERNMENT
Inward No. 13516
Date 16-10-1952
File No. LRB II
P. W. D., BOMBAY

Below U.O.R.No.PHV 1052/90441 dated the 15th October 1952, from Government in the Public Works Department.

No. LRM.11/10729 of 1952.

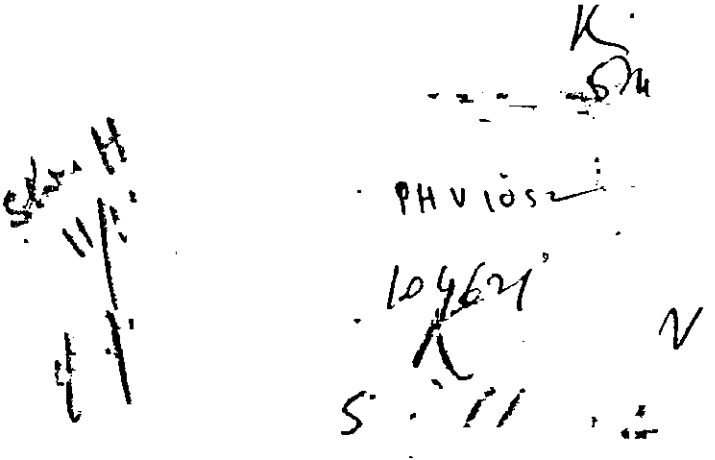
Bombay, 4th November 1952.

Returned, with compliments.

2. Reference is requested to this office letter No.LRM.11 8781 dated the 8th October 1952, addressed to the Secretary Government, Public Works Department, Bombay, wherein the remarks on the points raised by the Karnatak Chamber of Commerce in its letter at pp.19-22 ante have already been made, and there is nothing further to add thereto.

Electrical Engineer to Govt.

P.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Telegrams: "CHAMBER" Telephone: 102.

KARNATAK CHAMBER OF COMMERCE
ಕರ್ನಾಟಕ ಚೇಂಬರ ಆಫ್ ಕಾಮರ್ಸ (ವಣಿಕ್ ಸಂಘ) ಹುಬ್ಬಳ್ಳಿ.

No. H-6/1001/ HUBLI 4th Novr. 19 52.

The Secretary to Government,
Public Works Department, Bombay.

1st Reminder.

Sub:- Supply of power to the -- Cotton-seed crushing factory- at Hubli.

Ref:- Your No: PHV1052K. of -- 23-9-1952. P-18

Sir,

We are desired to invite your kind and immediate attention to this office letter No: H-6/870 of 17th September, 1952, and to request you to favour us with an early reply and oblige. P-19

Yours faithfully,
R. V. [illegible]
Hony. Secretary.

K
2-11

F.P.
10/11/52.

PHV 1052

105868

K ✓

8/11 7-11-52

PWD 1052/105868
104624

K.B.

P.W.D.

The Sundatta Cotton-Seed Utilisation Ltd. have represented to Govt. that the amount of Rs. 15,000/- deposited by them ~~some 3 years back~~ They have also requested that Special low rates should be charged to them. The full facts of the case have been noted upon in file No: PWD 1852/107982, which is submitted as a linked case. In this connection please see the O.N. of today's date. The Sundatta Cotton Seed Utilisation Ltd. is a member Coy. of the Karnatak Chamber of Commerce, Hubli. P-37 Post

2. If approved, the draft put up for approval may issue.

K.H.
27/11/52.

DS (I.R.)

28/11

Secy.

VMD
29/11

3/

No. PHV 1052 K.

P.W.D.,
B.C. (B'bay. No. 1)
3-12-1952.

To.
The Managing Director,
Sundatta Cotton-seed Utilisation Ltd.,
10, Mount Pleasant Rd.,
Malabar Hill, Bombay.

Subject:- Supply of Power at Hubli.

Sir,

With refee. to your letter No. 579/52, dated p-11 the 13-9-1952, on the subject mentioned above, I am directed to state that it will not be possible to have a special very low rate for a particular consumer, as it is bound to raise a storm of protest among the existing consumers, nor will it be possible to refund the amount Rs. 15,000/-, deposited by you. In this connection your attention is invited to the letter× No. HHB 1852 K, dated 3-12-1952, addressed to the Hon. Secy., Karnataka Chamber of Commerce, Hubli (copy enclosed)

Yours faithfully,

A.S. to the Govt. of B'bay,
P.W.D.

Copy forwarded to the Sl. Engr. in continuation of CE No. HHB 1852 K, dt. 3-12-1952, for information.

the Hon. Secy., Karnataka Chamber of Commerce, Hubli, with refee. to the cores. ending with his letter No. H-6/1001, dt. the 4-11-1952. P-33

K.SH.
27/11/52.

988

3/12

× Linked Case I.
⊗ To be filled in.
Copy of letter refd. to.

No.PHV 1052 K.

Public Works Department,
Bombay Castle (Bombay No.1),
3rd December 1952.

From

The Assistant Secretary to the Government
of Bombay, Public Works Department.

To

The Managing Director,
Sundatta Cotton-Seed Utilization Limited,
10, Mount Pleasant Road,
Malabar Hill, Bombay.

Subject:- Supply of power at Hubli.

.....

Sir,

With reference to your letter No.579/52, dated the 13th September 1952, on the subject mentioned above, I am directed to state that it will not be possible to have a special very low rate for a particular consumer, as it is bound to raise a storm of protest among the existing consumers, nor will it be possible to refund the amount of Rs.15,000/-, deposited by you. In this connection your attention is invited to the letter No.LHB-1852 K, dated 3rd December 1952, addressed to the Honorary Secretary, Karnatak Chamber of Commerce, Hubli (copy enclosed).

Yours faithfully,

4 pgs.

Assistant Secretary to the Government
of Bombay, Public Works Department.

D.A.- Copy of
letter refd. to.

7.
DDD.
3/12/52.

Copy forwarded to -

the Electrical Engineer to Government, in continuation of Government Endorsement No.LHB 1852 K, dated 3rd December 1952, for information,
the Honorary Secretary, Karnatak Chamber of Commerce, Hubli, with reference to the correspondence ending with his letter No.H-6/1001, dated the 4th November 1952.

No.LRM-11/12317 of 1952.
P.W.D. Offices, Churchgate Street,
Fort, Bombay(1), 2nd ~~November~~ December 1952.

To

The Secretary to Government,
Public Works Department,
Bombay.

Subject:- Sub-Station for Sundatta Cotton Seed Utilisation Limited, Hubli.

I have to state that it was proposed formerly to extend the H.T. feeders of the Hubli Electric Supply Undertaking and to deliver H.T. Supply to the above factory which was to install its sub-station in the factory premises for stepping down supply to the required pressure for utilisation of electric current in the factory. This proposal has subsequently been dropped and it has now been proposed to install a sub-station at Government cost and deliver motive power supply to the factory. The land on which the factory of Messrs. Sundatta Cotton Seed Utilization Limited stands belongs to one Shri R.V.Shirur and has been leased to the Company. As the Government Sub-Station is now to be erected on this land it is proposed to take the land on lease from Shri Shirur on a ~~monthly~~ yearly rent of Rs.12/- per ~~mensem~~ annum.

I therefore request that Government may be pleased to approve the proposal and accord its sanction to the payment of the ~~monthly~~ yearly rental of Rs.12.

MAB/28/11/52.

Electrical Engineer to Government.

K 2/12

P. W. D.
File No. PHV 1052
Serial No. 115213

Smith 3/12 K N 2-12-52

PHV 1052/115213.

K.Br.

P.W.D.

In the circumstances stated by the Ex. Engr. in his letter dated the 2-12-1952, P-41 to Govt., the Ex. Engr. may be accorded authorised to take the land on lease from Shri R.V. Shivan, on a monthly rent of Rs. 12/- per mensem. The F.D. may see U.O. for concurrence.

ICDH. 9/12/52.

Thro'. SE (I.)

SS (I-SE.) 10/12

Govt. to see. For d. 15-12-52.

DEPARTMENT III 15-12-52 59886

'Govt' vide U.O. (13-1-53)

13/12 finance deptt III

A/ It is not clear whether Govt sanction has been obtained for the installation of a sub. station at Govt. cost on the factory-land, whether plans & estimates for the proposed work have

have been administratively approved 44 and if not
at what stage they are & whether the ground-rent
of the proposed sub-station has been included in
the estimate and from which date the land in
question is proposed to be taken on lease & for how long
is presumed that the rent of Rs 12/- pm proposed
to be paid is fixed in consultation with the
Collr. The P.W.D. may be requested to elucidate
the above points & to forward the papers referred
to at 'A' overleaf for Govt's perusal, in the first
instance

Sd/-
29.12.52

D Eelu
24/12

Govt (B)
K
29/12

Govt to P.W.D. dated 24.12.52

P. W. D.
File No. PHV 1052
Diary No. 125249

Stenn H
29/12

K
27-12-52

PHW 1052/125249.

K.B.

Submitted with refce. to this deptt. u.o.n. dated P-43 P.W.D. the 15-12-1952.

2. The information required by the F.D., may be called for from the Rl. Engr. to Govt. Navy. draft P-46 Post PP.43-44 is put up for approval.

K.M. 29/12/52.

Thro'. SE(I)

SS(I-II) 29/12 29-12

No: PWV 1052 K.

Letter.

PWV 1052/125249.

P. W. D.,

Bg (Bombay No. 1),

31st December 1952.

To

The Xl. Engr. to Govt.

Subject:- Sub. Station for Sundatta Cotton seed utilisation Limited, Hubli.

Refce:- your letter No: LRM-II/12317, dated the 2-12-1952. P-41

2. Please furnish the following information:-

i). Whether sanction for the installation of a sub-station on the factory land at Govt. Cost has been obtained, if so, your are requested to quote the number & date of such orders.

Awaited (31-12-52) 31/12.

ii). Plans and estimates for the proposed work have been administratively approved, and if not, at what stage they are.

iii). Whether the ground-rent of the proposed sub-station has been included in the estimate, and from which date the land in question is proposed to be taken on lease; and for how long.

iv). It is presumed that the rent of Rs. 12/- p.m. proposed to be paid has been fixed in consultation with the Collector. Please confirm.

Govt 3/1/53

Received 3/1/53

K.Rt. 29/12/52.

By order etc.,
A.S. to the Govt. of Bombay, P.W.D.

(67)

SUNDATTA COTTON-SEED UTILISATION LTD.

No. 925/52

10, Mount Pleasant Road,
Malabar Hill (Temporary),
Bombay.
30th December 1952.

The Electrical Engineer to the Government of Bombay,
P.W.D.Building, Fort,
Bombay.

Dear Sir,

A. 39

This has reference to letter No.PHV/1052-K of 3rd December 1952 addressed to us by the Assistant Secretary to the Government of Bombay, Public Works Department. We would also refer to the recent interview which the undersigned had with you in this connection.

At the outset, we would state that we do not quite understand the view taken by Government that a special very low rate for a particular consumer is bound to raise a storm of protest amongst the existing consumers. The very fact that Government has insisted on our depositing Rs.15,000/- worth of securities places this Company on a completely different footing from the other consumers. Moreover, the comparatively high load which this Company is to provide the Hubli Power Station and the guarantee of minimum load that we have been called upon to give are such as to merit special consideration. We contend that it is quite unfair to place us on a par with other consumers who have neither given guarantees nor deposited such a large amount with Government.

At the discussions which took place between your goodself and the undersigned, we brought the above points to your notice and also indicated that we had received letters from both the Ambernath Electricity Co. (Belgaum) Ltd., and the Dharwad Electric Supply Co. Ltd., indicating a rate of Re.0-1-6 per kw/hour for bulk supply, and we are enclosing herewith copies of these letters for your information. We also indicated that in view of our expansion programme during next year, we were even prepared to increase our minimum guarantee of load for the year 1953 from 2 lakh units to 4 lakh units per annum. We confirm that during the second half of 1953 we shall be drawing a steady load of 300 kws for 16 hours during the day and 100 kws for the remaining 8 hours, since the additional machinery ordered by us is to be installed and worked in May 1953.

We understand from our mills at Hubli that the cut-outs required by your Engineer-in-Charge at Hubli have been handed over to him on the 26th instant, and it is expected that electrical energy will be made available to us by the 1st of January 1953. We

ate will be considered the starting point from annual load guarantee. We would reiterate that increase of this guarantee to 4 lakh units per year e its way of applying a special bulk rate of standing charges of Rs.2/- per installed

Considering our increased requirements from May 1953 wards, we pointed out to you that the existing substation installed by you in our premises would be inadequate. We indicated that if a special bulk rate were made applicable to us against the increased guarantee of load of 4 lakh units per annum that we are prepared to give from 1st January 1953, we were quite prepared to instal our own 500 KVA. substation by the 1953 to enable us to draw high tension power from you for our increased load. We would, of course, be happy if Government would install another 500 KVA transformer by May 1953 but we feel that the time element is of great convenience to us, especially if we have to spend the increased amount. We therefore feel that it would be easier for us concerned if we installed a 500 KVA transformer ourselves. We would, however, make a special request that considering the fact that we would have to spend nearly Rs.15,000/- for a new transformer, at least half of our deposit of Rs.15,000/- be released to enable us to pay for part of the cost of the new transformer. We may point out that the existing 250 KVA transformer will be available to Government for use elsewhere and to that extent the investment already made by the Government on supply of power to us will be reduced thereby justifying refund of part of our deposit after we have installed the new transformer.

In conclusion, we would once again state that the existing Hubli rate of Re.0-2-6 per kw/hour would lead to early losses for our Company in its very first operations, and it would not be fair on the part of Government, who have encouraged us to put up this industry, to impose this rate on us. We can produce facts and figures to show that at the existing rate of 2½ annas per kw/hour, our power cost will be 33 1/3% of our total cost of production inclusive of depreciation and overheads, and we can ill-afford such a heavy imposition in our very infancy. This is especially true when neighbouring power stations would have been more than happy to have a customer of our size, and would have given special rating and consideration. We would therefore request you with all emphasis to give this matter immediate consideration.

Yours faithfully,
For Sandvik Cotton-Steel Utilisation Ltd.

Encl: Copies of two letters
is 1 sheet.

Sd. N. D. Sirur
Managing Director.

Copy with compliments to:-
1. The Secretary to Government, Public Works Department, Bombay.
2. The Secretary to Government, Development Department, Bombay.
3. The Director of Industries, Bombay.

Copy of letter No.F-14/52 dated 12th August 1952 from the Amalgamated Electricity Co. (Belgaum) Ltd., Belgaum, to the Director, Sundatta Cotton-Seed Utilisation Ltd., Syed's Building, Lamington Road, Hubli.

Your No. G3-PC/54 dated 24th ultimo received by us on 2nd instant.

Rate Schedule.

With reference to your above we beg to give our rate for medium pressure supply as under:-

(For flour mills, power looms, factories, press and domestic service pump installations, etc) up to and including 4 BHP rate shall be Re.0-1-6 per unit in addition to standing charge of Rs.2-11-0 per BHP or fraction thereof.

Above 4 BHP rate shall be Re.0-1-6 per unit in addition standing charge of Rs.2-11-0 per BHP or fraction thereof. We have no load ranging from 75 to 125 kws.

Copy of letter No.13-S/2032 dated 10th September from the Dharwar Electric Supply Co: Ltd., Dharwar, to the Directors, The Sundatta Cotton-Seed Utilisation Ltd., Hubli.

Re: Electric Supply.

With reference to the personal discussion you had with the undersigned regarding the proposed installation of an Oil Milling Unit at Dharwar, we are agreeable to give the power supply at the following rate subject to your giving us a guaranteed minimum consumption of One Lac Units per year.

(i) A Standing Charge of Rs.2-11-0 per BHP connected per month, PLUS

(ii) Anna One and Pies Six per unit consumed; this rate being subject to revision thereof by the Company so as to enable the Company to earn a reasonable return as defined by the Electricity Supply Act, 1948, or by any other Act that may later be passed in supercession or modification thereof.

We would advise you to please fix up the location of your factory in consultation with us with a view to minimising the service connection charges.

True Copy.

SUNDATTA COTTON-SEED UTILISATION LTD.

MANUFACTURERS OF COTTONSEED PRODUCTS

Mills:
KARWAR ROAD, HUBLI.
(BOMBAY STATE)

EXECUTIVE OFFICES:
10, Mount Pleasant Road,
Malabar Hill (Temporary),
BOMBAY

SSS/6/53.

2nd January 1953.

The Secretary to the Government of Bombay,
Public Works Department,
Bombay.

Dear Sir,

Re: Electric Power Supply to our Mills at Hubli.

We beg to submit herewith for your kind information a copy of our letter No.925/52 dated 30th December 1952 addressed to the Electrical Engineer to the Government of Bombay, in connection with the electric power supply to our mills at Hubli.

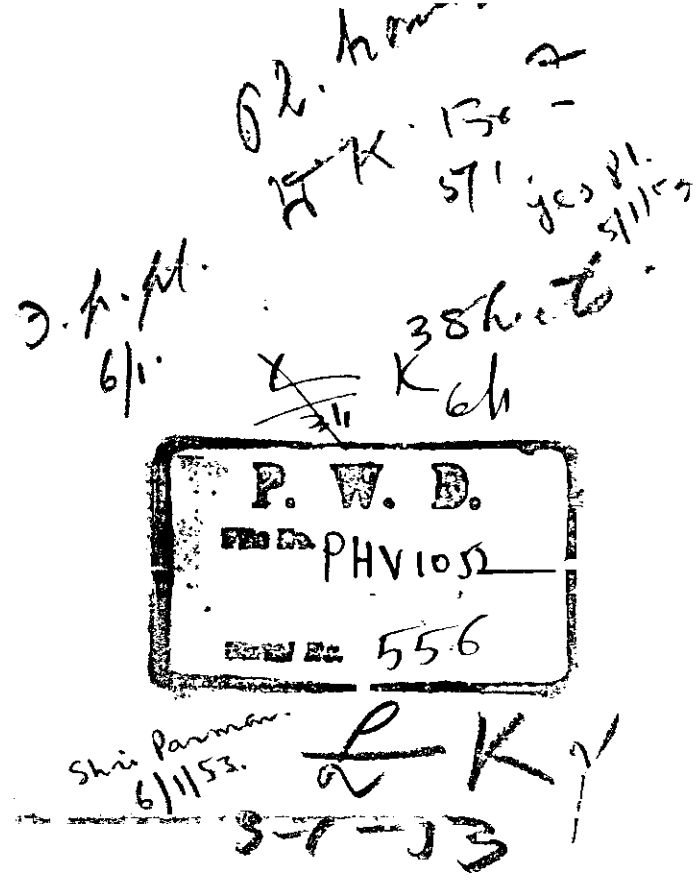
Yours faithfully,

Secretary.

Encls: 2

HH 47-51

5.14



55

PHV.1052/556

K. Br.

P.W.B.

47-53

Submitted with necy draft for approval — K.57

9/1/53

5.1.53

A-S. IV

Letter 57 I. W. D.

No. PHV 1052 K.

B.C. (B'bay No. 1)
9th January '53.

To
The Electrical Engineer to Govt.

Subject: Electric Power Supply to Mills at Hubli

I am directed to invite your attention to letter No. 47-51/925/52 dt the 30th Dec. 1952 from the Sandella Cotton-Seed Utilisation Ltd. on the subject mentioned above and to request you to forward your remarks in the matter at an early date.

By order etc.

D. A. : Nil.

Asst. Sect etc.
I. W. D.

9/1/53

Issued 9.1.53.

79

Letter.

No. PHV 1052 K.

Public Works Department,
Bombay Castle(Bombay No.1),
9th January 1953.

To

The Electrical Engineer to Government.

Subject:- Electric Power Supply to Mills at Hubli.

.....

I am directed to invite your attention to letter No. 925/52 dated the 30th December 1952 from the Sundatta Cotton-Seed Utilisation Limited on the subject mentioned above and to request you to forward your remarks in the matter at an early date.

By order and in the name of the Governor of Bombay,

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9/1/53

O/C

Assistant Secretary to the Government of Bombay,
Public Works Department.

D.A.-Nil.

ISSUED
Date 10-1-53 NB

KKW/9-1-53.

9/1/53

No. ERM.11/15660 of 1952-53.
P.W.D. Offices, Churchgate Street,
Fort, Bombay(1) 24th January 1953.

From:

The Electrical Engineer to Government,
Public Works Department, Bombay.

To

Sundatta Cotton-Seed Utilisation, Ltd.,
10, Mount Pleasant Road,
Malabar Hill, Bombay.

Subject:- Supply of power to the Sundatta Cotton-Seed Utilisation, Ltd., at Hubli.

Dear Sirs,

Reference: Your letter No. 25/52 dated the 30-12-1952.

With reference to the above, I have to inform you as under:-

(1) The high tension line which is laid to your premises at Hubli is exclusively for your load for the present, and under the Indian Electricity Act, 1910, you should have been charged the full cost thereof like any other consumer. However, considering your difficulties, this cost was waived and instead only a deposit to the extent of Rs.15,000 only has been accepted from you. In this way, as a bulk consumer you have already obtained special consideration over other consumers, who are always required to pay the cost of the service lines under the Act.

(2) A consumer who pays the full cost of the service line is not required to give separate guarantee or to deposit a large sum of money with Government, and you have paid the deposit just because the cost of service line was not recovered from you.

(3) The rates charged to motive power consumers at Hubli are already lower than the actual cost of generation and distribution, and the loss of revenue due to motive power consumers in this respect has to be made up from the lighting consumers.

(4) This office is not aware of the basis on which the other Supply Companies at Belgaum and Dharwar have worked out their rates for bulk supply; but the rates at Hubli can be determined on bulk supply basis if you definitely inform this office the maximum load, outside the peak hours, which you would take, together with the minimum monthly consumption that you would guarantee to take from the supply.

2. In view of the above remarks, I shall be glad to know your maximum demand outside the peak hours, i.e. from 6 p.m. to 10 p.m., and also the consumption in units which you can guarantee to take. On receipt of this information, the matter will be considered to find out whether any special reduction in rate can be granted to you. In any case, however, I must make it clear that sufficient security to cover the minimum guaranteed amount will have to be paid by you in advance, before the reduced charges,

if....

if any are brought into effect.

Yours faithfully,

Electrical Engineer to Govt.

P/23/1.

15661

Copy forwarded, with compliments, for information to:-

(1) the Chief Engineer (Roads and Buildings), Public Works Department, Bombay, with reference to Government Letter, Public Works Department, No.PHV 1052 K, dated the 9th January 1963;

(2) the Executive Engineer, Bombay Electrical Division, Bombay.

(3) the Secretary to Government, Public Works Department, Bombay.

K
2711

PHV 1052

10-3-63

No. IRN.11/1566 of 1952-53.
P.W.D. Offices, Churchgate Street,
Bombay(1), 24th January 1953.

From:
The Electrical Engineer to Government,
Public Works Department, Bombay.

To
Sundatta Cotton-Seed Utilisation, Ltd.,
10, Mount Pleasand Road,
Malabar Hill, Bombay.

Subject:- Supply of power to the Sundatta Cotton-Seed Utilisation, Ltd., at Hubli.

Dear Sirs,

Reference: Your letter No. 485/52 dated the 30-12-1952.

With reference to the above, I have to inform you as under:-

(1) The high tension line which is laid to your premises at Hubli is exclusively for your load for the present, and under the Indian Electricity Act, 1910, you should have been charged the full cost thereof like any other consumer However, considering your difficulties, this cost was waived and instead only a deposit to the extent of Rs.15,000 only has been accepted from you. In this way, as a bulk consumer you have already obtained special consideration over other consumers, who are always required to pay the cost of the service lines under the Act.

(2) A consumer who pays the full cost of the service line is not required to give separate guarantee or to deposit a large sum of money with Government, and you have paid the deposit just because the cost of service line was not recovered from you.

(3) The rates charged to motive power consumers at Hubli are already lower than the actual cost of generation and distribution, and the loss of revenue due to motive power consumers in this respect has to be made up from the lighting consumers.

(4) This office is not aware of the basis on which the other Supply Companies at Belgaum and Dharwar have worked out their rates for bulk supply; but the rates at Hubli can be determined on bulk supply basis if you definitely inform this office the maximum load, outside the peak hours, which you would take, together with the minimum monthly consumption that you would guarantee to take from the supply.

2. In view of the above remarks, I shall be glad to know your maximum demand outside the peak hours, i.e. from 6 p.m. to 10 p.m., and also the consumption in units which you can guarantee to take. On receipt of this information, the matter will be considered to find out whether any special reduction in rate can be granted to you. In any case, however, I must make it clear that sufficient security to cover the minimum guaranteed amount will have to be paid by you in advance, before the reduced charges,

if...

if any are brought into effect.

Yours faithfully,

Electrical Engineer to Govt.

P/23/1.

Copy forwarded, with compliments, for information to:-

(1) the Chief Engineer (Roads and Buildings), Public Works Department, Bombay, with reference to Government Letter, Public Works Department, No.PHV 1052 K, dated the 9th January 1953;

(2) the Executive Engineer, Bombay Electrical Division, Bombay.

15663 (3) the Secretary to Government, Public Works Department, Bombay.

K 4
2-7-1

PHV 1052

10315

65 PHV 1052/10313

10315

K.Br. P.W.D.

Submitted with reference to P-57 No: PHV 1052 IC, dated the 9-1-1953.

2. Further developments may be awaited.

K.BH. 30/11/53.

Supdt.

ASO 30/1

Await (1-3-53) 30/1

For further papers, please see file No. PHV 1053.